

<b>DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION</b>	<b>FOOD STAMP MANUAL</b>	
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## **105.1 Purpose**

This section describes the treatment of income received by households with boarders as defined in Section 100.21 (Boarders) of this manual.

## **105.2 General Information**

- A. Income received by households with boarders in both commercial and non-commercial board situations is considered self-employment income.
- B. Persons residing in a commercial boarding house (establishments licensed as an enterprise that offers meals and lodging for compensation) are considered boarders regardless of the compensation they pay.
- C. Persons residing in a non-commercial boarding house are considered boarders if they pay reasonable monthly compensation for their meals and lodging as described in Section 100.4 of this manual.

## **105.3 Income from Boarders**

- A. Exclude persons who are boarders as defined in Section 100.21 of this manual when determining the household's eligibility and benefit level.
- B. Include as income all direct payments to the household for room and meals, including contributions to the household's shelter expenses.
- C. Do not count shelter expenses paid directly by boarders to someone outside the household as income to the household.

Example 1: A boarder pays \$20.00 a month to the household for the heating bill. This amount is counted as income to the household.

Example 2: A boarder pays the telephone bill for the household directly to the phone company. The amount of the payment is not counted as income to the household.

## **105.4 Allowable Costs of Doing Business**

- A. Exclude the portion of the boarder payment that is a cost-to-do business when determining the income received from boarders.
- B. The amount allowed as the cost-to-do business is 30% of the proprietor's gross monthly receipts received from boarders.

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## **105.5 Computing Income**

- A. Net monthly self-employment income from boarders is determined by:
  1. Adding together all direct payments to the household by the boarders and then;
  2. Applying the 30% (cost-to-produce) deduction.
- B. Add the result of this computation (net income from self-employment) to other earned income and apply a 20% earned income deduction to the total.
- C. Compute the shelter costs the household actually incurs (even if the boarder contributes directly to the household for shelter expenses) to determine if the household will receive a shelter deduction.